

The Market Administrator's Monthly Newsletter

Appalachian, Florida, and Southeast Marketing Areas
March 2026

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Federal Order No. 5, 6 & 7

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February Statistical Uniform Price

The February 2026 statistical uniform price for the Appalachian Marketing Area was announced at \$19.69 per hundredweight at the base zone of Mecklenburg County, North Carolina, the pricing point for FO 5.

The February 2026 statistical uniform price for the Florida Marketing Area was announced at \$20.65 per hundredweight at the base zone of Hillsborough County, Florida, the pricing point for FO 6.

The February 2026 statistical uniform price for the Southeast Marketing Area was announced at \$20.14 per hundredweight at the base zone of Fulton County, Georgia, the pricing point for FO 7.

Class I Insights for F.O. 5, 6, & 7

In February, the Appalachian Marketing Area reported 290.4 million pounds of Class I producer milk, representing 73.73% of total producer receipts. In-area Class I route disposition totaled 241.2 million pounds in FO 5. The Florida Marketing Area had 169.9 million pounds of Class I producer milk, accounting for 79.00% of receipts. Total in-area Class I route disposition was 169.8 million pounds. The Southeast Marketing Area reported 192.9 million pounds of Class I producer milk, or 76.13% of receipts. FO 7 in-area Class I route disposition totaled 163.4 million pounds. The consistently high Class I utilization across these areas highlights the region's continued reliance on fluid milk sales as a key driver of the market.

Product Prices Effect

Commodity prices for February primarily increased slightly on a per-pound basis: butter price increased \$0.27, nonfat dry milk price increased by \$0.18, the cheese price increased by \$0.03, while dry whey decreased \$0.01, all on a per pound basis. The Class I price for February decreased by \$1.65. The Class I prices for the Appalachian, Florida and Southeast Orders were: \$20.30/cwt, \$21.50/cwt, and \$20.50/cwt, respectively.

Pool Summary

Total Producers pooled:

- FO 5: 891
- FO 6: 84
- FO 7: 535

Pooled milk pounds total:

- FO 5: 393.9 million
- FO 6: 215.1 million
- FO 7: 253.3 million

INSIDE THIS ISSUE:

- FO5 Statistical Summary—p. 2
- FO6 Statistical Summary—p. 3
- FO7 Statistical Summary—p. 4
- Dairy 2025 Recap —p. 5
- Dairy Forecasts for 2026—p.6
- Milk Production—p. 7
- Federal Order Statistics—p. 8

UPCOMING PRICE RELEASE DATES:

March 2026 Prices

Class Prices: 04/01/26

May 2026 Prices

Advanced Prices: 4/22/26

Appalachian Statistical Summary

February 2026

FEBRUARY 2026

JANUARY 2026

FEBRUARY 2025

PRICES: (Base Zone)

Uniform Price	19.69	20.32	23.55
Class I Price	20.30	21.95	24.67
Class II Price	15.34	13.92	21.08
Class III Price	14.94	14.59	20.18
Class IV Price	16.29	13.55	19.90
Uniform Skim Milk Price	14.36	15.48	13.94
Class I Skim Milk Price	15.59	16.77	14.75
Class II Skim Milk Price	9.42	9.13	11.60
Class III Skim Milk Price	9.03	9.85	10.69
Class IV Skim Milk Price	10.43	8.77	10.40
Uniform Butterfat Price	1.6660	1.5390	2.8855
Class I Butterfat Price	1.5006	1.6481	2.9808
Class II Butterfat Price	1.7864	1.4595	2.8256
Class III Butterfat Price	1.7794	1.4525	2.8186
Class IV Butterfat Price	1.7794	1.4525	2.8186
Class I ESL Adjustment	\$0.57	\$-0.17	N/A

PRODUCER MILK:

Class I	290,390,874	341,913,244	286,381,447
Class II	62,234,694	52,868,184	55,649,616
Class III	23,406,248	22,242,060	18,021,267
Class IV	17,839,035	20,970,644	32,841,696
Total Producer Milk	393,870,851	437,994,132	392,894,026

PERCENT PRODUCER MILK IN:

Class I	73.73	78.06	72.89
Class II	15.8	12.07	14.16
Class III	5.94	5.08	4.59
Class IV	4.53	4.79	8.36

Effective June 2025, the Class I skim milk price is announced at the higher of the advanced Class III and IV skim milk pricing factors plus the base zone (Mecklenburg County, NC) differential of \$5.60 and is subject to location adjustments.

Effective June 2025, the Class I Extended Shelf Life (ESL) Adjustment for ESL products is equal to the average of the advanced Class III and Class IV skim pricing factors less the higher of the advanced Class III and Class IV skim pricing factors plus a 24-month rolling average adjuster with a 12-month lag.

Florida Statistical Summary

February 2026

	FEBRUARY 2026	JANUARY 2026	FEBRUARY 2025
PRICES: (Base Zone)			
Uniform Price	\$20.65	\$21.30	\$25.42
Class I Price	21.50	23.15	26.67
Class II Price	15.34	13.92	21.08
Class III Price	14.94	14.59	20.18
Class IV Price	16.29	13.55	19.90
Uniform Skim Milk Price	\$15.38	\$16.43	\$15.80
Class I Skim Milk Price	16.79	17.97	16.75
Class II Skim Milk Price	9.42	9.13	11.60
Class III Skim Milk Price	9.03	9.85	10.69
Class IV Skim Milk Price	10.43	8.77	10.40
Uniform Butterfat Price	\$1.6589	\$1.5563	\$2.9073
Class I Butterfat Price	1.5126	1.6601	3.0008
Class II Butterfat Price	1.7864	1.4595	2.8256
Class III Butterfat Price	1.7794	1.4525	2.8186
Class IV Butterfat Price	1.7794	1.4525	2.8186
Class I ESL Adjustment	\$0.57	-\$0.17	N/A
PRODUCER MILK:			
Class I	169,907,322	189,201,088	163,358,501
Class II	37,782,753	37,480,800	32,477,925
Class III	5,549,369	1,536,680	1,655,335
Class IV	1,837,147	4,578,034	4,402,758
Total Producer Milk	215,076,591	232,796,602	201,894,519
PERCENT PRODUCER MILK IN:			
Class I	79.00	81.27	80.91
Class II	17.57	16.10	16.09
Class III	2.58	0.66	0.82
Class IV	0.85	1.97	2.18

Effective June 2025, the Class I skim milk price is announced at the higher of the advanced Class III and IV skim milk pricing factors plus the base zone (Hillsborough County, FL) differential of \$6.80 and is subject to location adjustments.

Effective June 2025, the Class I Extended Shelf Life (ESL) Adjustment for ESL products is equal to the average of the advanced Class III and Class IV skim pricing factors less the higher of the advanced Class III and Class IV skim pricing factors plus a 24-month rolling average adjuster with a 12-month lag.

<h2 style="margin: 0;"><u>Southeast Statistical Summary</u></h2> <h3 style="margin: 0;"><u>February 2026</u></h3>

	FEBRUARY 2026	JANUARY 2026	FEBRUARY 2025
PRICES: (Base Zone)			
Uniform Price	\$20.14	\$20.79	\$23.90
Class I Price	20.50	22.15	25.07
Class II Price	15.34	13.92	21.08
Class III Price	14.94	14.59	20.18
Class IV Price	16.29	13.55	19.90
Uniform Skim Milk Price	\$14.86	\$15.95	\$14.30
Class I Skim Milk Price	15.79	16.97	15.15
Class II Skim Milk Price	9.42	9.13	11.60
Class III Skim Milk Price	9.03	9.85	10.69
Class IV Skim Milk Price	10.43	8.77	10.40
Uniform Butterfat Price	\$1.6581	\$1.5434	\$2.8846
Class I Butterfat Price	1.5026	1.6501	2.9848
Class II Butterfat Price	1.7864	1.4595	2.8256
Class III Butterfat Price	1.7794	1.4525	2.8186
Class IV Butterfat Price	1.7794	1.4525	2.8186
Class I ESL Adjustment	\$0.57	-\$0.17	N/A
PRODUCER MILK:			
Class I	192,867,060	220,479,330	205,144,746
Class II	37,804,936	31,453,337	48,796,322
Class III	14,940,322	3,420,760	19,787,702
Class IV	7,735,718	13,080,079	20,803,629
Total Producer Milk	253,348,036	268,433,506	294,532,399
PERCENT PRODUCER MILK IN:			
Class I	76.13	82.14	69.65
Class II	14.92	11.72	16.57
Class III	5.90	1.27	6.72
Class IV	3.05	4.87	7.06

Effective June 2025, the Class I skim milk price is announced at the higher of the advanced Class III and IV skim milk pricing factors plus the base zone (Fulton County, GA) differential of \$5.80 and is subject to location adjustments.

Effective June 2025, the Class I Extended Shelf Life (ESL) Adjustment for ESL products is equal to the average of the advanced Class III and Class IV skim pricing factors less the higher of the advanced Class III and Class IV skim pricing factors plus a 24-month rolling average adjuster with a 12-month lag.

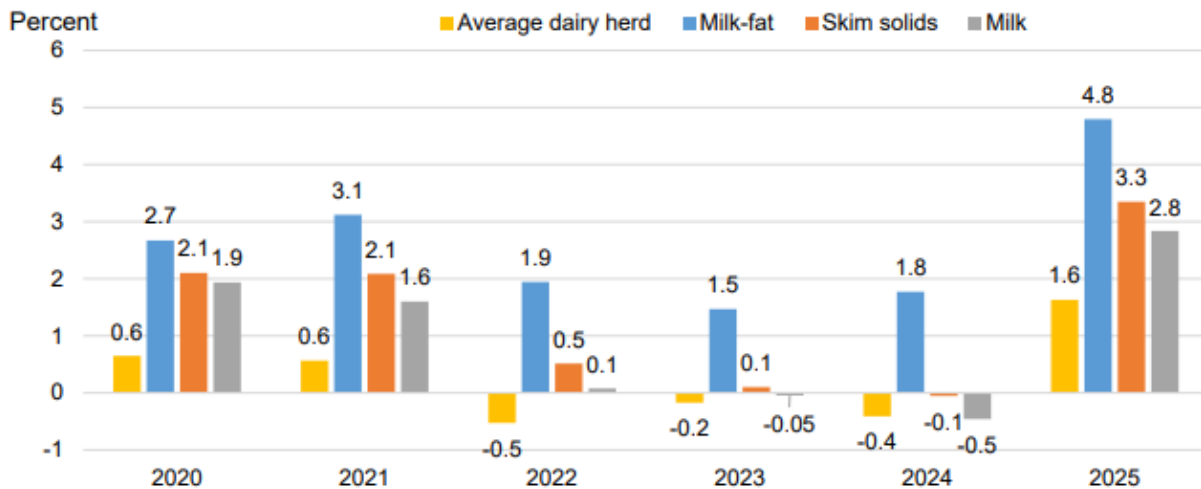
Dairy Outlook

2025 Dairy Situation Recap

In 2025, there was remarkable production growth in the U.S. dairy sector. The dairy herd averaged almost 9.5 million head—the largest since the early 1990s. After recovering from Highly Pathogenic Avian Influenza (HPAI) outbreaks in late 2024 and early 2025, milk per cow averaged 24,391 pounds per cow, about 1.2 percent year-over-year higher, adjusting for the extra day in 2024. Consequently, total milk output increased 2.8 percent, the highest year-over-year gain since 2006. With lower dairy heifer replacement inventories, the expansion of the dairy herd was attained via reduced slaughter rates, as dairy farmers chose to keep their dairy cows longer, incentivized by robust demand for beef-on-dairy calves. In 2025, dairy herds in Idaho, Texas, Kansas, South Dakota, Michigan, and New York all grew by more than 10,000 head, increasing by a total of 155,000 head from 2024, according to each state’s annual average cow inventory on the Milk Production report. These States are expanding or have recently expanded dairy processing capacity.

Milk components continued to test at higher levels. The milk-fat test as reported by USDA, National Agricultural Statistics Service (NASS) averaged 4.32 percent in 2025, while the skim-solids test reported by USDA, Agricultural Marketing Service (AMS) averaged 9.12 percent. Milk fat production increased by 4.8 percent while production of skim solids increased by 3.3 percent from 2024. Recent trends in the annual production of milk components indicate that dairy farmers continue to focus on adopting genetic traits that increase component levels. However, unlike in previous years, in 2025, the growth in components was accompanied by growth of milk output as well.

Year-over-year change in annual¹ average dairy herd, production of milk, milk-fat and skim-solids



¹Annual production of milk, milk-fat and skim-solids for 2020 and 2024 have been adjusted for leap year.

Source: USDA, Economic Research Service (ERS) calculations using data from USDA, National Agricultural Statistics Service. For production of milk fat and skim solids numerous sources were used for conversion factors. For more information, see the USDA, ERS Dairy Data Documentation webpage.

Dairy Outlook

Dairy Forecasts for 2026

Dairy herd expansion is expected to continue into 2026, consistent with 2025 trends and supported by dairy cow numbers reported through January 2026, recent culling patterns, and expectations for continued cow retention.

Based on recent data, the number of dairy cows forecast in 2026 has been revised upward to 9.570 million head, an increase of 30,000 head from the previous forecast and 72,000 head more than in 2025. Meanwhile, milk production per cow has been revised downward to 24,520 pounds, a decrease of 65 pounds from the previous forecast, but still 129 pounds higher than in 2025. The higher expected number of dairy cows more than offsets the lower milk per cow; therefore, milk production in 2026 is now forecast at 234.7 billion pounds, up 0.2 billion pounds from last month's forecast and 3.0 billion pounds above 2025.

In 2026, the dairy import forecast on a milk-fat basis increased to 8.2 billion pounds (+0.2 billion) from the last projection, supported by higher projected imports of specialty cheese and butter, while the skim-solids-basis forecast remains unchanged at 7.0 billion pounds.

Following record high export volume in 2025, the 2026 dairy product export forecast is revised upward from last month, reflecting increased international demand for U.S. dairy products. On a milk-fat basis, the export forecast is raised to 18.0 billion pounds (+0.5 billion) from last month, expected to be a record high compared with the 16.7 billion pounds exported in 2025. On a skim-solids basis, the export forecast is increased to 48.3 billion pounds (+0.3 billion) from the previous projection.

The upward revision in 2026 dairy export volumes from last month's forecast is expected to reduce domestic availability and increase milk prices. On a milk-fat basis, 2026 domestic use is lowered to 223.4 billion pounds (0.3 billion) from last month's forecast. On a skim-solids basis, domestic use is revised down to 192.6 billion pounds (-0.1 billion). Nevertheless, domestic disappearance in 2026 remains higher on a year-over-year basis.

Higher expected exports shipments of Cheddar cheese and butter along with persistent domestic demand are expected to put upward pressure on domestic wholesale prices in 2026, compared with the previous forecast. The forecast for average NDM prices has risen from the last forecast due to firm domestic demand and tight stocks.

The 2026 average domestic wholesale price forecasts for major dairy products have been adjusted from the previous forecast as follows: price forecasts for Cheddar cheese, butter, NDM, are projected higher at \$1.615 (+1.0 cent), \$1.870 (+19.0 cents), \$1.390 (+7.5 cents), and dry whey is projected lower at \$0.660 (-3.0 cents) per pound.

With higher price projections for Cheddar cheese offsetting lower dry whey price, the 2026 Class III milk price is forecast at \$16.65 per cwt, unchanged from the previous forecast. With higher projected prices for butter and NDM, the Class-IV price is forecast at \$17.15 per cwt, \$1.45 higher than the previous projection. The all-milk price for 2026 is now forecast at \$19.70 per cwt, an increase of \$0.75 from last month's forecast.

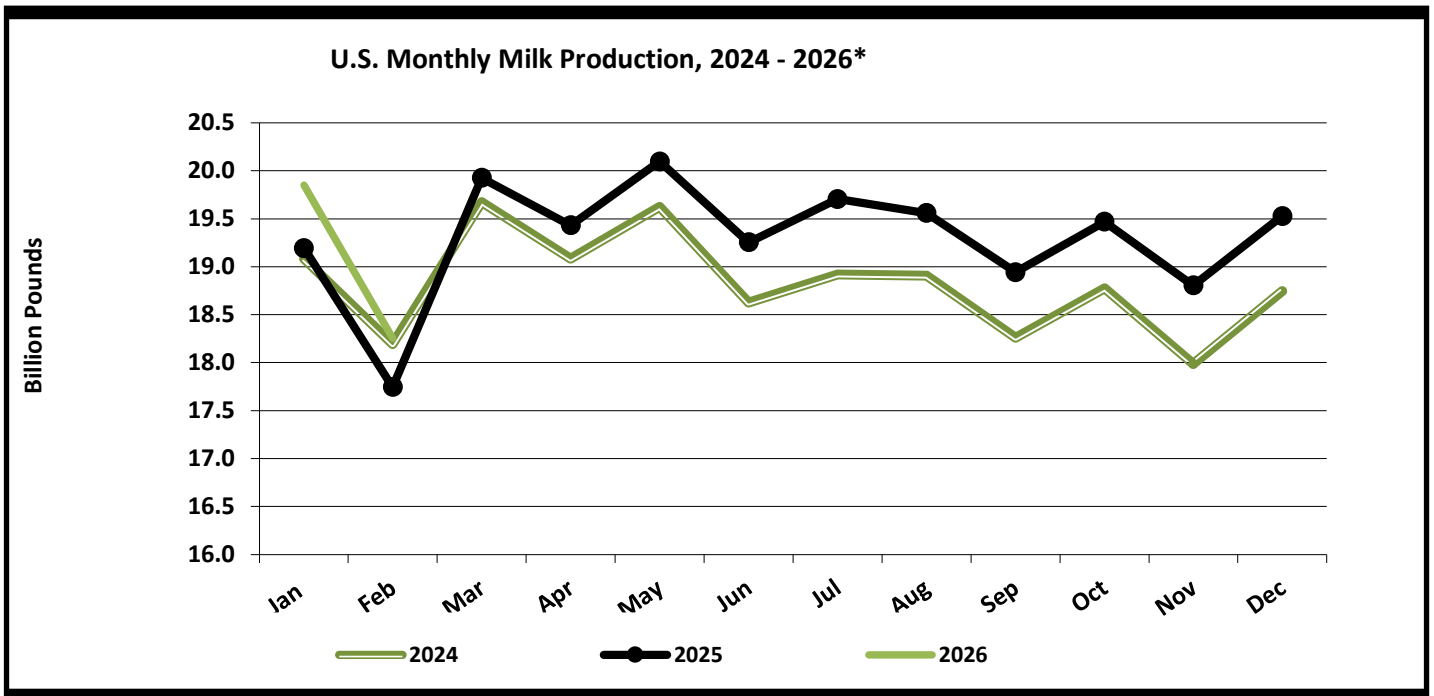
Milk Production

February Milk Production up 3.1 percent

Milk production in the 24 major States during February totaled 17.6 billion pounds, up 3.1 percent from February 2025. January revised production, at 19.1 billion pounds, was up 3.6 percent from January 2025. The January revision represented an increase of 37 million pounds or 0.2 percent from last month's preliminary production estimate.

Production per cow in the 24 major States averaged 1,912 pounds for February, 13 pounds above February 2025.

The number of milk cows on farms in the 24 major States was 9.18 million head, 217,000 head more than February 2025, and 13,000 head more than January 2026.



February Milk Production in the United States up 2.9 Percent

Milk production in the United States during February totaled 18.3 billion pounds, up 2.9 percent from February 2025.

Production per cow in the United States averaged 1,899 pounds for February, 12 pounds above February 2025.

The number of milk cows on farms in the United States was 9.62 million head, 211,000 head more than February 2025, and 15,000 head more than January 2026.

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Federal Order Statistics for February 2026

Federal Order		Producer Deliveries	Class I Producer Receipts	Class I Utilization	Statistical Uniform Price
		Million Pounds	Million Pounds	Percent	\$/cwt
1	Northeast	2,135.5	612.6	28.7	17.31
5	<i>Appalachian</i>	393.9	290.4	73.7	19.69
6	<i>Florida</i>	215.1	169.9	79.0	20.65
7	<i>Southeast</i>	253.3	192.9	76.1	20.14
30	Upper Midwest	1,548.5	154.5	10.0	15.52
32	Central	1,090.1	334.4	30.7	16.33
33	Mideast	1,759.1	548.0	31.2	16.44
51	California	1,566.9	362.4	23.1	16.04
124	Pacific Northwest	218.9	75.0	34.3	16.47
126	Southwest	1,073.8	315.1	29.4	16.55
131	Arizona	350.5	98.4	28.1	16.26
All Orders		10,605.7	3,153.5	29.7	16.71

^{1/} Weighted average uniform prices at 3.5% butterfat at announced locations.

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